



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 29, 1998

S. 1104

A bill to direct the Secretary of the Interior to make corrections in maps relating to the Coastal Barrier Resources System

*As ordered reported by the Senate Committee on Environment and Public Works
on May 21, 1998*

CBO estimates that enacting S. 1104 would result in no significant cost to the federal government. Because the bill would affect direct spending, pay-as-you-go procedures would apply, but we expect that net changes in direct spending would be negligible. S. 1104 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would have no significant impact on the budgets of state, local, or tribal governments.

S. 1104 would direct the Secretary of the Interior to exclude a portion of Edisto Island, South Carolina, from the Coastal Barrier Resources System. This change would enable local property owners to obtain federal flood insurance for houses that have been or will be constructed on about 15 residential lots. Once insurance policies have been written on all of the affected properties, offsetting collections into the national flood insurance fund from premiums would increase by less than \$20,000 per year. Collections would be partially offset by new mandatory spending for underwriting and administrative expenses. The federal government may also incur additional costs for losses associated with any future floods that might occur, but CBO has no basis of predicting these.

The CBO staff contact is Deborah Reis. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.